

COUNTRY PROFILE: UZBEKISTAN

December 2005

COUNTRY

Formal Name: Republic of Uzbekistan (Ozbekiston Respublikasi).

Short Form: Uzbekistan.

Term for Citizen(s): Uzbekistani(s).

Capital: Tashkent.

Other Major Cities: Namangan, Samarqand (Samarkand), Andijon (Andizhan), Bukhoro (Bukhara, Buxoro), and Nukus (in order of population size).

Independence: Uzbekistan celebrates September 1, 1991, as its date of independence. That is the date on which independence from the Soviet Union was declared.

Public Holidays: Uzbekistan celebrates New Year's (January 1), the Feast of the Sacrifice (February 1), Women's Day (March 8), Navruz (Uzbek New Year, March 21), Victory Day (May 9), Independence Day (September 1), the end of Ramadan (date determined by the Islamic calendar), and Constitution Day (December 10).

Flag: The flag is divided into three equal horizontal stripes of blue (top), white, and green, which are separated by thin red stripes. On the left side of the blue stripe is a crescent moon with 12 five-pointed stars, all in white. The blue represents water; the white, peace; the green, nature; and the red, life. The stars represent either the 12 constellations of the zodiac or the 12 provinces of Uzbekistan.



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HISTORICAL BACKGROUND

In the first millennium B.C., Iranian nomads established irrigation systems along the rivers of Central Asia and built towns at Bukhoro and Samarqand. These places became extremely wealthy points of transit on what became known as the Silk Road between China and Europe. In the seventh century A.D., the Soghdian Iranians, who profited most visibly from this trade, saw their province of Mawarannahr overwhelmed by Arabs, who spread Islam throughout the region. Under the Arab Abbasid Caliphate, the eighth and ninth centuries were a golden age of learning and culture in Mawarannahr. As Turks began entering the region from the north, they established new states. After a succession of states dominated the region, in the twelfth century Mawarannahr was united in a single state with Iran and the region of Khorazm, south of the Aral Sea. In the early thirteenth century, that state then was invaded by Mongols led by Genghis

Khan, under whose successors Turkish replaced Iranian as the dominant culture of the region. Under Timur (Tamerlane), the last great Mongolian nomadic leader (ruled 1370–1405), Mawarannahr began its last cultural flowering, centered in Samarqand. After Timur the state began to split, and by 1510 Uzbek tribes had conquered all of Central Asia.

In the sixteenth century, the Uzbeks established two strong rival khanates, Bukhoro and Khorazm. In this period, the Silk Road cities began to decline as ocean trade flourished. The khanates were isolated by wars with Iran and weakened by attacks from northern nomads. In the early nineteenth century, three Uzbek khanates—Bukhoro, Khiva, and Quqon (Kokand)—had a brief period of recovery. However, in the mid-nineteenth century Russia, attracted to the region's commercial potential and especially to its cotton, began the full military conquest of Central Asia. By 1876 Russia had incorporated all three khanates (hence all of present-day Uzbekistan) into its empire, granting the khanates limited autonomy. In the second half of the nineteenth century, the Russian population of Uzbekistan grew and some industrialization occurred.

At the beginning of the twentieth century, the Jadadist movement of educated Central Asians, centered in present-day Uzbekistan, began to advocate overthrowing Russian rule. In 1916 violent opposition broke out in Uzbekistan and elsewhere, in response to the conscription of Central Asians into the Russian army fighting World War I. When the tsar was overthrown in 1917, Jadadists established a short-lived autonomous state at Quqon. After the Bolshevik Party gained power in Moscow, the Jadadists split between supporters of Russian communism and supporters of a widespread uprising that became known as the Basmachi Rebellion. As that revolt was being crushed in the early 1920s, local communist leaders such as Faizulla Khojayevev gained power in Uzbekistan. In 1924 the Soviet Union established the Uzbek Soviet Socialist Republic, which included present-day Tajikistan and Uzbekistan. Tajikistan became a separate republic in 1929. In the late 1920s and early 1930s, large-scale agricultural collectivization resulted in widespread famine in Central Asia. In the late 1930s, Khojayevev and the entire leadership of the Uzbek Republic were purged and executed by Soviet leader Joseph V. Stalin (in power 1927–53) and replaced by Russian officials. The Russification of political and economic life in Uzbekistan that began in the 1930s continued through the 1970s. During World War II, Stalin exiled entire national groups from the Caucasus and the Crimea to Uzbekistan to prevent “subversive” activity against the war effort.

Moscow's control over Uzbekistan weakened in the 1970s as Uzbek party leader Sharaf Rashidov brought many cronies and relatives into positions of power. In the mid-1980s, Moscow attempted to regain control by purging the entire Uzbek party leadership. However, this move increased Uzbek nationalism, which had long resented Soviet policies such as the imposition of cotton monoculture and the suppression of Islamic traditions. In the late 1980s, the liberalized atmosphere of the Soviet Union under Mikhail S. Gorbachev (in power 1985–91) fostered political opposition groups and open (albeit limited) opposition to Soviet policy in Uzbekistan. In 1989 a series of violent ethnic clashes involving Uzbeks brought the appointment of ethnic Uzbek outsider Islam Karimov as Communist Party chief. When the Supreme Soviet of Uzbekistan reluctantly approved independence from the Soviet Union in 1991, Karimov became president of the Republic of Uzbekistan.

In 1992 Uzbekistan adopted a new constitution, but the main opposition party, Birlik, was banned, and a pattern of media suppression began. In 1995 a national referendum extended Karimov's term of office from 1997 to 2000. A series of violent incidents in eastern Uzbekistan in 1998 and 1999 intensified government activity against Islamic extremist groups, other forms of opposition, and minorities. In 2000 Karimov was reelected overwhelmingly in an election whose procedures received international criticism. Later that year, Uzbekistan began laying mines along the Tajikistan border, creating a serious new regional issue and intensifying Uzbekistan's image as a regional hegemon. Following the terrorist attacks of September 11, 2001, Uzbekistan provided logistical support to the U.S. antiterrorist campaign in Afghanistan. This move continued a rapprochement that began in the late 1990s. However, in 2004 the United States cut non-humanitarian aid to Uzbekistan, citing recurrent human rights violations. In mid-2005 brutal suppression of riots in Andijon brought severe criticism from the United States and the European Union (EU). Under pressure from the Karimov regime, the United States vacated its air base at Khanabad, and sanctions by the EU and the United States followed. In the same period, a bilateral treaty substantially enhanced relations between Russia and Uzbekistan.

GEOGRAPHY

Location: Uzbekistan is located in Central Asia, east of the Caspian Sea, directly south of Kazakhstan, north of Turkmenistan, and on the western borders of Tajikistan and Kyrgyzstan.



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Size: The area of Uzbekistan is 447,400 square kilometers, of which 425,400 square kilometers is land surface.

Land Boundaries: Uzbekistan has land boundaries with the following countries: Kazakhstan, 2,203 kilometers; Turkmenistan, 1,621 kilometers; Tajikistan, 1,161 kilometers; Kyrgyzstan, 1,099 kilometers; and Afghanistan, 137 kilometers.

Length of Coastline: None. Uzbekistan is landlocked.

Topography: Uzbekistan's topography is diverse. Almost 80 percent of the surface is desert, dominated by the Qizilqum (Kyzyl Kum) Desert of the north-central part of the country. The mountains of the far southeast and far northeast, which are foothills of the Tian Shan Range, reach 4,500 meters in elevation. In the northeast, the Fergana Valley, which is the country's center of population, agriculture, and industry, is 200 to 500 meters above sea level, surrounded by mountain ranges, and intersected by the Syr Darya River. The far west is dominated by the Turan Lowland, the Amu Darya valley, and the southern half of the shrinking Aral Sea.

Principal Rivers: Uzbekistan is not endowed with substantial river systems; the most important rivers are the Amu Darya, the Syr Darya, and the Zarafshon, all of which flow from other countries across a small expanse of Uzbekistan. Other rivers are the Akhangaran and the Chirchik, both in the northeast.

Climate: The climate of landlocked Uzbekistan is continental, with hot summers and cool winters. Summer temperatures reach 40°C, averaging 32°C. Winter temperatures reach –38°C, averaging –23°C. Rainfall averages vary between 100 millimeters per year in the northwest and 800 millimeters per year in the Tashkent region. Precipitation falls mainly in the winter and spring.

Natural Resources: Uzbekistan has deposits of natural gas and oil sufficient to maintain self-sufficiency in the near term. Gold is the most plentiful mineral having export value. Significant amounts of copper, lead, silver, tungsten, uranium, and zinc also are present. Nearly all of Uzbekistan's arable land requires intensive irrigation. Water, Uzbekistan's most crucial resource, comes mainly from rivers whose sources are in other countries, requiring bilateral agreements with source countries as well as with other user countries downstream. Uzbekistan's chronically poor water and irrigation management has resulted in severe environmental crises and regional tensions.

Land Use: Some 10.9 percent of Uzbekistan's land, most of it in the Fergana Valley, is classified as arable, and 0.8 percent is planted to permanent crops. About 0.4 percent is forested. Most of the rest is desert.

Environmental Factors: The Aral Sea, half of which is in Uzbekistan, has been severely desiccated by overuse of its tributary rivers, a situation recognized as one of the world's worst environmental disasters. Enormous overdrafts on these rivers are caused by the extremely low efficiency of irrigation systems in Turkmenistan and Uzbekistan. Without the moderating influence of the sea, winters became significantly colder and summers hotter. Vozrozhdeniye Island in the Aral Sea, now connected to the shore by shrinkage of the sea, contains the lethal remains of a Soviet anthrax weapons testing laboratory, most of which lies in Uzbekistani territory. Drinking water quality also is a major problem, especially in the western province of Karakalpakstan, where water is not properly distributed and sources are exposed to various types of surface and underground contamination. Inadequate sewage disposal adds to Uzbekistan's water pollution problem: only 40 percent of the population is served by sewerage systems. Some 15,000 hectares of pastureland are lost to salt and dust annually. Soil contamination is highest in agricultural areas that have been subjected to annual overdoses of fertilizers and pesticides. Uncontrolled timber cutting has endangered the few remaining stands of forest.

The main environmental protection agency, the State Committee for Nature Protection, nominally has responsibility for a wide variety of regulatory functions. However, like most of Uzbekistan's ministries, it is outside the small decision-making circle of President Karimov.

Time Zone: Uzbekistan's time zone is five hours ahead of Greenwich Mean Time.

SOCIETY

Population: In 2005 Uzbekistan's population was estimated at 26.9 million. The annual growth rate was 1.67 percent, and overall population density was 63 people per square kilometer. Population density varies greatly, as the Fergana Valley includes most of Uzbekistan's

population centers. In the early 2000s, the greatest population growth has occurred in rural areas, and emigration has occurred mainly from urban areas. In 2002 some 63 percent of the population was classified as rural. Between 1990 and 1999, Uzbekistan had a net emigration of 845,000 people, mostly Russians. In 2004 the net migration rate was –1.61 people per 1,000 population.

Demography: In 2005 some 33.5 percent of the population was 14 years of age or younger, and 4.8 percent of the population was 65 years of age or older. The sex ratio was 0.98 males per female. In 2005 the birthrate was estimated at 26.2 births per 1,000 population, and the death rate was 7.95 per 1,000 population. Infant mortality was 71.1 deaths per 1,000 live births. Overall life expectancy was 64.2 years: 60.8 years for males and 67.7 years for females. The fertility rate was 2.94 children per woman.

Ethnic Groups: Before the Soviet era, Uzbeks identified themselves by clan and by khanate rather than by nationality, which became an ethnic identifier only in 1924 with the union of the khanates in the Uzbek Soviet Socialist Republic. Despite their different languages, official differentiation of Tajiks and Uzbeks occurred only when the Republic of Tajikistan was established five years later. According to the 1998 census, 76 percent of the population was Uzbek, 6 percent Russian, 4.8 percent Tajik, 4 percent Kazakh, 1.6 percent Tatar, and 1 percent Kyrgyz. However, a substantial portion of the officially Uzbek population, estimated as high as 40 percent, is of Tajik ancestry, and Tajiks predominate in Bukhoro and Samarqand. Substantial numbers of Germans and Ukrainians left in a mass emigration during the 1990s. The Karakalpaks, about 475,000 of whom inhabit western Uzbekistan, are a Turkic people of unclear ethnic origin who now are included with the Uzbeks in official ethnic statistics.

Languages: Some 74.3 percent of the population speaks Uzbek, 14.2 percent Russian, and 4.4 percent Tajik. Speakers of Russian, which is officially designated as the “language of interethnic communication,” live mainly in the large cities. Tajik is the most common language in Bukhoro and Samarqand. There are no language requirements for citizenship. The Cyrillic alphabet is in use pending a transition to the Latin alphabet planned for 2005.

Religion: About 88 percent of the population is Muslim and 9 percent Russian Orthodox. Most Uzbek Muslims practice a type of mystic Sufism that is introspective and distinctly nonpolitical. Uzbekistan also has about 93,000 Jews and congregations of Baptists, Jehovah’s Witnesses, Korean Protestants, and Seventh-Day Adventists.

Education and Literacy: Eleven years of primary and secondary education are obligatory, starting at age seven. This requirement includes four years of primary school and two cycles of secondary school, lasting five and two years, respectively. The rate of attendance in those grades is high, although the figure is significantly lower in rural areas than in urban centers. Pre-school registration has decreased significantly since 1991. The official literacy rate is 99 percent. However, in the post-Soviet era educational standards have fallen. Funding and training have not been sufficient to effectively educate the expanding younger cohorts of the population. Between 1992 and 2001, government spending on education dropped from 12 percent to 7 percent of gross domestic product (GDP). The decrease is more noticeable at the primary and secondary levels, as the government continues to subsidize university students. However, bribes often are necessary to ensure success and advancement in universities. Between 1992 and 2001, university

attendance dropped from 19 percent of the college-age population to 6.4 percent. The three largest universities are in Nukus, Samarqand, and Tashkent. All are state-funded. Private schools have been forbidden since the establishment of Islamic fundamentalist (Wahhabi) schools in the early 1990s brought a government crackdown. However, in 1999 the government-supported Tashkent Islamic University was founded for the teaching of Islam.

Health: In the post-Soviet era, the quality of Uzbekistan's health care has declined. Between 1992 and 2001, spending on health care and the ratio of hospital beds to population both decreased by nearly 50 percent, and Russian emigration in that decade deprived the health system of many practitioners. In 2002 Uzbekistan had 58 hospital beds per 10,000 population. Basic medical supplies such as disposable needles, anesthetics, and antibiotics are in very short supply. Although all citizens nominally are entitled to free health care, in the post-Soviet era bribery has become a common way to bypass the slow and limited service of the state system. In the early 2000s, policy has focused on improving primary health care facilities and cutting the cost of inpatient facilities. Among the most common diseases are those associated with polluted drinking water: typhoid, hepatitis, dysentery, cholera, and various types of cancer. The chief causes of death are, in order of frequency, disorders of the cardiovascular, respiratory, and digestive systems and infectious and parasitic diseases. The reported incidence of human immunodeficiency virus (HIV) increased sharply in 2002 and 2003, partly because of a new government reporting policy and partly because of increased drug abuse. In 2003 about 2,000 cases of HIV were known, at least two-thirds of which were linked with drug abuse. The geographic centers of the HIV cases are Tashkent and Surkhandarya Province on the Afghanistan border. Expanding drug trafficking through Uzbekistan has led to increased drug addiction in urban areas.

Welfare: In 2000 Uzbekistan reformed its state-funded pension system, which had suffered from ineffective funds collection and an uneven funding burden that motivated enterprises to avoid support payments. The new system reallocated payment responsibility and collection authority, but it failed to stipulate funding amounts or to stimulate public participation. The system covers all employed persons; the government subsidizes shortfalls and pays substantial amounts in pensions to special categories. Pension eligibility begins at age 60 for men and age 55 for women, provided they have worked 25 and 20 years, respectively. The pension program also funds payments for work injury, maternity, and disability. Pension rates increased by 20 percent in 2003. Unemployment benefits are payable for 26 weeks at 50 percent of the recipient's average earnings. Social support payments often are late, and high inflation decreases their value. In 2003 the officially reported proportion of the population living in poverty was 26.2 percent, which has been a steady figure in the late 1990s and early 2000s.

ECONOMY

Overview: Uzbekistan suffered less economic shock from the dissolution of the Soviet Union than did most other former Soviet republics because it produces large amounts of cotton and gold, commodities of value on world markets, and because the government stressed development of import-replacement industries in the post-Soviet era. In the 1990s, oil and gas production increased significantly, providing limited exports of natural gas and eliminating the Soviet-era

need to import oil. In the same period, the expansion of grain cultivation reduced food imports. Although cotton remains the most valuable agricultural product, cotton output has declined since the mid-1990s. Uzbekistan's economy has retained many elements of Soviet economic planning. Economic policy remains under state control; the government has strictly limited foreign direct investment, and little privatization has occurred aside from small enterprises. In the early 2000s, agriculture remained the most important economic sector, but the contribution of industry was rising. Informal economic activity accounts for between one-third and one-half of output.

Gross Domestic Product (GDP): In 2004 Uzbekistan's GDP was estimated at US\$9.2 billion, an increase of 4.4 percent over the 2003 figure (US\$8.8 billion) and a rate of US\$358 per capita. Between 2002 and 2003, GDP had increased by 3.1 percent. In 2003 agriculture's contribution to GDP was 38.7 percent, the share of the services sector was 35 percent, and manufacturing and construction contributed 26.3 percent. (Relative contributions for 2004 were not available.)

Government Budget: In 2004 the Uzbekistan government had revenues of US\$2.46 billion and expenditures of US\$2.48 billion, incurring a budget deficit of more than US\$20 million. The deficit for 2003 was US\$31 million. Tax rate reductions decreased revenues somewhat compared with 2003.

Inflation: Inflation statistics for Uzbekistan are unreliable because of inconsistent reporting techniques. Throughout the post-Soviet era, inflation control has been a low priority of government planners. After reaching 26.6 percent in 2001, the estimated inflation rate for 2003 was 13.1 percent. In 2004 the official inflation rate was 3.7 percent, but international agencies estimated a rate of approximately 15 percent.

Agriculture: Agriculture and industries supplied by agriculture (primarily those related to cotton and foods) contribute more than 40 percent of Uzbekistan's gross domestic product (GDP). However, expansion of the sector has been hindered by state control of agricultural markets, equipment shortages, and the ban on private land ownership. Privately worked plots contribute an estimated 75 percent of non-wheat food output. Uzbekistan is the world's fourth-largest producer and second-largest exporter of cotton, which accounts for approximately 45 percent of the country's exports. In recent years, Uzbekistan has switched some farmland from cotton to grains in an effort to reduce food imports. Other significant agricultural products are silk, fruits and vegetables, cow's milk, and beef. Virtually all agriculture requires intensive irrigation. Cattle, goats, and sheep are the most frequently raised livestock.

Forestry: Uzbekistan has no significant forested areas.

Fishing: Most of Uzbekistan's natural fish catch comes from reservoirs and lakes. The management of rivers primarily for irrigation reduces the natural fish yield. Beginning in the 1960s, the disappearance of the primary fishing grounds in the Aral Sea, which had produced 25,000 tons of fish per year, stimulated an aquaculture industry that has produced more than half of Uzbekistan's fish output in the early 2000s. In 2002 the total fish output was 7,100 tons, of which 5,100 tons came from aquaculture.

Mining and Minerals: In both the Soviet and the post-Soviet eras, minerals and mining have been a foundation of the economy. In 2004 Uzbekistan had the world's sixth largest reserves of gold and ranked ninth in world production. Annual production is estimated at about 85 tons. Uzbekistan's natural gas reserves satisfy all domestic needs and are an important export product, and oil reserves are nearly sufficient for domestic needs. Significant reserves of copper, lead, tungsten, uranium, and zinc also are present.

Industry and Manufacturing: In the early 2000s, all of Uzbekistan's large industrial enterprises remained state-owned, and many unproductive Soviet-era plants remained in operation. Beginning in the late 1990s, planners have given priority to import-substitution industrialization with investment and trade protection for industries such as steel production and sugar processing, but in general such industries have not prospered and have incurred substantial debt. The Daewoo automobile assembly plant, a joint venture with the South Korean company of that name, is Uzbekistan's first domestic automotive industry. In the early 2000s, the plant has increased its output but suffers from a small domestic consumer base. Another important industry, cigarette manufacturing, has been affected by large-scale cigarette smuggling into Uzbekistan. Other industries are food processing, cotton textiles, machine building, metallurgy, and chemicals. Uzbekistan's construction industry receives relatively little investment. Aside from the upgrading of airports, there are few large-scale construction projects.

Energy: In the 1990s, Uzbekistan became self-sufficient in fuels, although the fuel industries have remained inefficient and wasteful. The smuggling of oil into neighboring countries has led to periodic domestic oil shortages. In 1999 oil production reached a peak of 8.1 million tons before declining somewhat in subsequent years. In the post-Soviet era, Uzbekistan has increased its production of natural gas by an estimated 40 to 50 percent, reaching 58.4 billion cubic meters in 2002. Gas exports go primarily to neighboring countries, minimizing concerns about long-distance pipelines. In 2002 a production-sharing agreement with a British company, Trinity Gas, began developing gas fields in central Uzbekistan. Uzbekistan also is self-sufficient in electric power. However, because infrastructure is in poor condition in the 37 operating power stations and their distribution networks, experts estimate that sometime after 2005 Uzbekistan no longer will produce a net surplus of electric power.

Services: The services sector grew substantially in the early 2000s, mainly because of increased contributions from small private enterprises such as retail stores, restaurants, and computer technology. Government restrictions on consumer goods imports and licensing restrictions on retail commerce have forced many of Uzbekistan's numerous small-scale traders (both legitimate and black-market) into neighboring countries and reduced the availability of consumer goods.

The development of financial services has been restricted by government controls on the banking industry, which serves only as a distributor of government credit and loans. The National Bank of Uzbekistan is the dominant provider of both domestic and foreign loans. A few small private banks are in operation. The Tashkent Stock Exchange has very limited operations.

Uzbekistan has desirable tourist destinations in the ancient Silk Road cities of Bukhoro, Khiva, and Samarqand, and the travel infrastructure is adequate. However, visa and customs restrictions,

corruption in the local tourism industry, and low investment have inhibited development of the tourism industry.

Labor: In 2004 the labor force was estimated at 14.6 million people, of whom 44 percent were working in agriculture, 36 percent in services, and 20 percent in industry and manufacturing. The official unemployment rate was 3.1 percent, but actual unemployment was believed to be about 6 percent. Approximately another 20 percent were estimated to be underemployed. In 2004 the monthly minimum wage increased from US\$4.90 to US\$6.40. Agricultural workers receive especially low wages.

Foreign Economic Relations: An important factor in post-Soviet economic relations has been Uzbekistan's policy of import substitution, which has focused on increased production of wheat, natural gas, and oil. Despite that policy, however, the purchase of capital equipment for investment projects has maintained a high level of import growth. State controls on imports, one measure to improve the trade balance, have increased the smuggling of consumer products into Uzbekistan. Throughout the post-Soviet period, Russia has remained the top trade partner. Other former Soviet republics maintaining substantial trade relations with Uzbekistan are Kazakhstan, Tajikistan, and Ukraine. In the early 2000s, natural gas was the main commodity export to those republics. In the early 2000s, the fastest growing export markets were Britain, South Korea, and Switzerland. A significant trade event of 2005 was the signing of a gas pipeline agreement with China, worth an estimated US\$600 million. A number of other fuel-related agreements were under discussion with China in 2005.

Imports: In 2003 the main imports, in order of value, were machinery, chemicals and plastics, foods, and metals. In 2004 the value of imports increased by 28.2 percent; the most important import source countries, in order of trade volume, were Russia, South Korea, the United States, Germany, Kazakhstan, and China.

Exports: In 2003 Uzbekistan's main exports, in order of value, were cotton fiber, fuels, metals, food products, and machinery. In 2004 the value of exports increased by 30 percent; the main customers in order of trade volume, were Russia, China, Turkey, Tajikistan, and Kazakhstan.

Trade Balance: Because of heavy dependence on two export commodities, world cotton and gold prices have been major factors in determining Uzbekistan's annual trade balance. In 2004 exports totaled US\$3.7 billion and imports US\$2.8 billion, creating a trade surplus of US\$900 million. In 2003 the value of exports was about US\$2.8 billion and the value of imports was about US\$2.3 billion, resulting in a trade surplus of more than US\$500 million.

Balance of Payments: Complete statistics on Uzbekistan's balance of payments have not been available since 1998, when the balance was approximately zero. Although exports and imports both grew in the post-Soviet era, in most years the more rapid growth of imports left Uzbekistan with a large current account deficit. In 2003 the current account surplus was estimated at US\$460 million, and in 2004, the third consecutive year of surplus, it grew to an estimated US\$773 million. In the early 2000s, foreign direct investment has been very low, although it did increase in 2004.

External Debt: In 2004 the external debt was estimated at US\$4.4 billion.

Foreign Investment: Although the official policy of Uzbekistan has been to attract diverse foreign investment, in the early 2000s activity has stagnated because the government maintains majority shares in all joint ventures, government monitoring is pervasive, and the legal system is unreliable. The introduction of a convertible currency in late 2003 improved the climate somewhat. The Daewoo Automobile Plant, a joint venture with a South Korean company, began production in 1996. Although Daewoo went bankrupt in 2000, the Uzbekistani government has supported the enterprise through loans. The plant depends heavily on Russian parts and markets. The United States Newmont Mining Company and Britain's Oxus Gold participate in joint ventures in Uzbekistan's gold-mining industry. In 2005 the French Alcatel company agreed to supply mobile telephone equipment to Uzbekistan through 2006. Up to 60 percent of shares in the state telecommunications firm, Uzbek Telecom, are due to be sold to foreign companies after 2005. China Mobile is one likely buyer.

Currency and Exchange Rate: Uzbekistan's currency is the som. In December 2005, US\$1 was worth 1,182 Uzbekistani som. Uzbekistan ended a multiple exchange rate system in 2003.

Fiscal Year: Uzbekistan's fiscal year is the calendar year.

TRANSPORTATION AND TELECOMMUNICATIONS

Overview: Because of low investment and poor maintenance, Uzbekistan's overland transportation infrastructure has declined significantly in the post-Soviet era. Air transport is the only branch that has received substantial government investment in the early 2000s, as airport modernization projects have been undertaken.

Roads: In 2002 Uzbekistan had 84,400 kilometers of roads, of which about 72,000 kilometers were paved. The road infrastructure is deteriorating, particularly outside of Tashkent. No significant highway projects were underway in 2005.

Railroads: In 2004 Uzbekistan had 3,950 kilometers of railroad lines, of which about 620 kilometers were electrified. A large percentage of the system's track requires major repair. The main line is the portion of the Transcaspian Railroad that connects Tashkent with the Amu Darya. No significant rail projects were underway in 2005. The city rail line of Tashkent, the only such line in Central Asia, is 47 kilometers long.

Ports: Landlocked Uzbekistan has no seaports. Its main river port is Termez on the Amu Darya. Although Termez lacks modern facilities and has a shortage of spare parts, activity there has increased as conditions in neighboring Afghanistan have stabilized. Termez is an important transfer point for humanitarian supplies entering Afghanistan.

Inland Waterways: Uzbekistan has 1,100 kilometers of inland waterways. Since the mid-1990s, commercial travel on Uzbekistan's portion of the Amu Darya has been reduced because of low water levels.

Civil Aviation and Airports: In 2004 Uzbekistan had 33 airports with paved runways, of which five had runways longer than 3,000 meters. The largest of them, at Tashkent, is linked with European and Middle Eastern cities by direct flights of Aeroflot, Lufthansa, Transaero, and Turkish Airlines, and with New York and Los Angeles via connecting flights through Moscow. The national airline, Uzbek Havo Yollari (Uzbekistan Airlines), flies mainly within the former Soviet Union. Fuel shortages often disrupt flight schedules from Uzbekistani airports.

Pipelines: In 2004 Uzbekistan had 9,149 kilometers of natural gas pipelines, 869 kilometers of oil pipelines, and 33 kilometers of pipelines for refined products.

Telecommunications: In the early 2000s, Uzbekistan's telephone system was in poor condition, and in 2005 there were only 7.4 main lines per 100 population. A government program, begun in 1994 and scheduled for completion in 2010, would modernize the system by adding digital exchanges and expanding to provide 13 main lines per 100 population. Technical support for that program is provided by the Japanese International Cooperation Agency. Substantial progress has been made in Samarqand and Tashkent, where there were 24 lines per 100 population in 2001, but as the rural population rose, the overall line-to-user ratio remained the same between 1994 and 2001. Digital telecommunications, which totaled 935,000 lines in 2005, are located almost exclusively in urban areas. In 2005 an estimated 1 million mobile telephones, using six cellular networks, were in use. In 2005 an estimated 811,000 people were using the Internet, compared with 7,500 in 2000. The number of Internet service providers also increased very rapidly between 2001 and 2005. In 2005 Uzbekistan adopted a new telecommunications and information transfer program to accelerate development through 2010.

GOVERNMENT AND POLITICS

Overview: The constitution of 1992 calls for a secular, democratic government system, freedom of expression and religion, and the rule of law. However, in practice the presidency, a position occupied by Islam Karimov since independence, dominates all three branches of government. In the post-Soviet era, Karimov's power has been enhanced by referenda and constitutional amendments and by the development of a very strong internal security force. Opposition parties have been stifled, and political life revolves around Karimov rather than around political parties. The prime minister, the cabinet, and the parliament have very limited powers, and the judicial branch is fully subordinate to the executive branch. Corruption is common in all government branches and at all levels, and clan membership is a vital qualification for positions.

Executive Branch: Karimov has accumulated powers that ensure full dominance of the government process for as long as he is president. He appoints the prime minister, all members of the cabinet, all members of the judiciary, 16 members of the newly formed Senate, and all provincial executives. Karimov also has used his direct control of the National Security Service to effectively limit opposition activity. The cabinet is a rubber-stamp aggregation of eight deputy prime ministers, 14 ministers, and the heads of five agencies and state committees.

Legislative Branch: Until 2004, the legislative branch was the unicameral Supreme Assembly (Oly Majlis), consisting of 250 members elected by popular vote to five-year terms. In 2002 a

constitutional amendment reduced the Oly Majlis to 120 seats and established a second, 100-member chamber, the Senate, which took office for the first time in January 2005. Members of the Senate are not elected directly; the president appoints 16 members, and six members are chosen by each of the 14 subordinate jurisdictions: 12 provinces, the Karakalpakstan Autonomous Republic, and the city of Tashkent. Representation of those jurisdictions in the directly elected Oly Majlis is according to population. Karimov's power in the parliament has been evident in that body's extension of the presidential term of office from five to seven years in 2002 and by its interpretation that Karimov's first term extended from 1991 to 2000, enabling him to run for a "second" term. Following the two-round parliamentary elections of December 2004 and January 2005, the Oly Majlis included members from five parties, all of which were pro-government. Some 21 women held seats after the elections of 2004–5.

Judicial Branch: Uzbekistan nominally has an independent judicial branch. However, in practice decisions of the judiciary generally follow those of the Office of the Procuracy, the state prosecutorial agency, and the president has the power to appoint and remove judges. (Parliamentary approval is required for removal.) Judges of the Supreme Court, which stands at the top level of the national judicial system, are appointed to five-year terms. A Constitutional Court reviews laws and decisions for compliance with the constitution, and military courts handle all cases related to the military.

Administrative Divisions: Uzbekistan is divided into 12 provinces, one autonomous republic (Karakalpakstan), and the city of Tashkent, which has the status of a province. The provinces are divided into 156 districts. Within those districts are 123 designated municipalities.

Provincial and Local Government: Governments at the provincial, regional, and municipal levels consist of a chief executive, the *hokim*, and a council. The president appoints *hokims* of the provinces, who appoint those at district level. In turn, district *hokims* appoint municipal *hokims*, giving the president de facto control of the executive branch at every level. The councils, whose power is secondary to the executives at all levels, are directly elected for five-year terms. President Karimov has ensured the loyalty of provincial *hokims* by frequent removals. Provincial governments have little power compared with the national government, which oversees and funds all major functions. Karakalpakstan, which nominally has substantial autonomy, in fact is rarely included in national discussions of the Aral Sea crisis within its borders. Especially in rural areas, the national government and law enforcement agencies use committees of the *mahallas*, the traditional organs of community governance, to monitor potential dissident activity. About 12,000 *mahallas* existed in 2004.

Judicial and Legal System: Uzbekistan's judicial system remains structurally and operationally similar to the Soviet system in place before 1992. Below the national level are provincial and regional courts, for which the Supreme Court serves as the court of appeals. Appeals are rare. Economic courts at the regional level deal with disputes between commercial entities. Judges of the lower courts are selected by a qualification collegium, which is named by the president. Murder, espionage, and treason are punishable by death. The law allows the arrest of individuals on suspicion alone, without the filing of formal charges, and the vagueness of formal grounds for arrest allows security forces to routinely arrest people without just cause. Most trials are heard by a panel of one professional judge and two lay judges, who rarely take an active role. Prosecutors

dominate criminal procedure, from pretrial detention to sentencing. The quality and activity of defense lawyers are limited. Conviction rates are extremely high. The death penalty remained in effect in 2005, although few executions have been carried out in the early 2000s.

Electoral System: Suffrage is universal for individuals 18 years of age and older. All aspects of elections, particularly registration by parties and independent candidates, are controlled by the government's Central Election Commission. An election is legally valid if more than 50 percent of eligible voters participate and a candidate receives more than 50 percent of the votes. In the post-Soviet era, reports of very high participation in elections and referenda have been considered unreliable. Parliamentary elections, which are held every five years, include runoffs if no candidate receives 50 percent or more in the first round. Only five parties, all pro-government, were allowed to participate in the parliamentary elections of December 2004 and the runoff elections of January 2005. The next parliamentary elections are scheduled for December 2009. In 2002 a referendum extended the president's term of office from five to seven years; the next presidential election is scheduled for 2007.

Politics and Political Parties: In the post-Soviet era, no true opposition party has been permitted legal status. The two major opposition parties that developed in the late Soviet period, Erk (Liberty) and Birlik (Unity), have been intensely restricted, and their leaders operate from exile. Two other parties, the Islamic Renaissance Party (IRP), which advocates an Islamic state in Uzbekistan, and Adolat (Justice), have been refused registration since the 1990s. The opposition Free Peasant Party, formed in 2003, also has not been allowed to register. The dominant party has been the People's Democratic Party, successor to the Communist Party of Uzbekistan. The other major parties, all of which support the government, are the Liberal Democratic Party (formed with government approval in 2004), the Adolat Social Democratic Party, the Democratic National Rebirth Party, and the Self Sacrificers Party, which merged with the Fatherland Party in 2004. Each of these parties gained at least nine seats in the Oly Majlis in the parliamentary elections of 2004–5. The leading vote getters were the Liberal Democratic Party, which won 41 seats, and the People's Democratic Party, with 33 seats.

Mass Media: Although a government decree officially eliminated state censorship in 2002, the government continues to severely restrict independent journalism. Licensing and regulation are the purview of the State Press Committee and the Inter-Agency Coordination Committee, which use their authority to harass and delay the activities of independent media outlets. In 2004 some 30 to 40 independent television stations and seven independent radio stations were in operation, but four state-owned television stations, run by the Television and Radio Company of Uzbekistan, dominated the market. No live programming is allowed. Total newspaper readership is estimated at only 50,000; the newspaper market is dominated by the state-owned papers *Pravda Vostoka*, *Halq So'zi*, and *Narodnoye Slovo*. The largest privately owned papers are *Novosti Uzbekistana*, *Noviy Vek*, *Noviy Den'*, and *Mohiyat*. The state controls newspaper distribution and materials supply. In the early 2000s, newspaper articles occasionally have criticized government policy and social conditions, but bribery of journalists is common. The only national news agency, the Uzbekistan News Agency, is state-controlled. Agence France-Presse, Anadolu Ajansı (of Turkey), the Associated Press, Interfax (of Russia), and Reuters are foreign agencies with offices in Uzbekistan.

Foreign Relations: As the only nation in Central Asia self-sufficient in food and energy, Uzbekistan has openly sought economic domination in the region. This position has caused severe tension with neighbors Kazakhstan, Kyrgyzstan, and Tajikistan over a variety of issues. As Kazakhstan's economic growth has far outstripped that of Uzbekistan, the former rather than the latter has achieved regional domination in the early 2000s. In the post-Soviet era, Uzbekistan's principal foreign policy goal has been to ensure national security in the face of nearby conflicts in Tajikistan and Afghanistan and the possible territorial ambitions of Iran and Pakistan. In the early 2000s, the shared fear of terrorism caused Russia and Uzbekistan to strengthen bilateral security agreements, strengthening a valued Russian outpost in the former Soviet Union. In 2005 a new bilateral treaty accelerated this process. Despite ongoing criticism of human rights violations in Uzbekistan, in the early 2000s the United States signed a series of aid agreements, the non-humanitarian provisions of which were revoked in 2004. The European Union (EU) has not sought to improve relations, citing Uzbekistan's poor human rights record. In 2005 that record and the suppression of riots in Andijon caused the EU and the United States to begin sanctions, and the United Nations officially condemned the Andijon events, effectively ending Uzbekistan's efforts to improve relations with the West. Uzbekistan also has drawn closer to China in the post-Soviet era, signing a series of bilateral agreements since 1996. After initially resisting, in 2001 Uzbekistan joined the Shanghai Cooperation Organization (SCO), signaling its need for regional assistance in fighting terrorism. In 2005 Uzbekistan began relying more heavily on its SCO links with China and Russia, ending its bilateral antiterrorism agreement with the United States and banning U.S. troops from the Karshi-Khanabad air base where they had been stationed since 2002 for operations in Afghanistan. Western criticism of the events in Andijon was the proximate reason for these moves.

Membership in International Organizations: Among the international organizations of which Uzbekistan is a member are the Asian Development Bank, Central Asian Cooperation Organization, Commonwealth of Independent States, Economic Cooperation Organization, Euro-Atlantic Partnership Council, European Bank for Reconstruction and Development, Food and Agriculture Organization, GUUAM (the grouping of Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova), International Atomic Energy Agency, International Bank for Reconstruction and Development, International Criminal Police Organization (Interpol), International Development Association, International Finance Corporation, International Labour Organization, International Monetary Fund, International Organization for Standardization, International Telecommunication Union, Islamic Development Bank, Organisation for the Prohibition of Chemical Weapons, Organization for Security and Co-operation in Europe, Partnership for Peace (of the North Atlantic Treaty Organization, NATO), Shanghai Cooperation Organization, United Nations, United Nations Committee on Trade and Development, United Nations Educational, Scientific and Cultural Organization, United Nations Industrial Development Organization, Universal Postal Union, World Customs Organization, World Federation of Trade Unions, World Health Organization, World Intellectual Property Organization, and World Trade Organization (observer status).

Major International Treaties: Among the multilateral treaties to which Uzbekistan is a signatory are the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, Collective Security Treaty of the Commonwealth of Independent States (signed December 2005), Comprehensive Test Ban Treaty, Convention on Biological

Diversity, Convention on the International Trade in Endangered Species of Wild Flora and Fauna, Convention on Long-Range Transboundary Air Pollution, conventions prohibiting the development, production, stockpiling, and use of biological and chemical weapons (known respectively as the Biological Weapons Convention and the Chemical Weapons Convention), Geneva Conventions, Intermediate Nuclear Forces Treaty, Montreal Protocol on Substances That Deplete the Ozone Layer, Ramsar Convention on Wetlands, Treaty on the Non-Proliferation of Nuclear Weapons, United Nations Convention to Combat Desertification, and United Nations Framework Convention on Climate Change, including the Kyoto Protocol to that convention.

NATIONAL SECURITY

Armed Forces Overview: During the post-Soviet era, Uzbekistan has maintained the largest military force in Central Asia, totaling 50,000 to 55,000 active-duty personnel in 2004. However, the training and experience of this force are low, and the government has spent relatively little on replacing Soviet-era equipment. The military plans to eliminate conscription in the process of creating a smaller, more mobile professional force, but no deadline has been announced for that reform. In 2004 the active force was composed of 40,000 army personnel and 10,000 to 15,000 air force personnel. Some 17,000 to 19,000 internal security troops also were active.

Foreign Military Relations: In the early 2000s, Uzbekistan has focused its military relations on bilateral links rather than commitments to multilateral organizations. It has sought to balance such links among the competing interests in the region. In 2000 Uzbekistan signed a bilateral military agreement with Turkey, implicitly to discourage Russian hegemony in Central Asia. In 2002 a strategic partnership agreement with the United States aimed at post-September 11 cooperation against Islamic extremism, but that agreement required domestic reforms that Uzbekistan did not carry out. The subsequent establishment in Uzbekistan of a U.S. base for operations in Afghanistan improved bilateral relations, but the extension of that arrangement increased apprehension among Uzbekistan's neighbors and in Iran and Russia. The United States vacated its base and severed military relations in 2005 following the Andijon riots and curtailment of the base agreement by the Karimov government. In 2004 Uzbekistan signed a comprehensive strategic partnership with Russia, continuing the rapprochement of the two countries that began in 2003 and shifting Uzbekistan's military policy away from Western alliances. Late in 2005, a mutual security agreement with Russia created conditions for the basing of Russian forces in Uzbekistan, although no timetable was established. Uzbekistan also moved closer to Russia by signing the Collective Security Treaty of the Commonwealth of Independent States (CIS), a move it previously had eschewed. In the early 2000s, bilateral military negotiations with China sought a second linkage with a major regional power. Uzbekistan has discussed multilateral security arrangements with the other members of the Shanghai Cooperation Organization (SCO, including China, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan).

External Threat: As the dominant military power in its region, Uzbekistan faces no conventional military threats. The major external security concern is the Islamic groups that have sworn to replace the secular government of Uzbekistan with an Islamic state. This genuine threat also has been a pretext for increased domestic repression by the Karimov regime. In 1999 and

2000, the Uzbekistani military repulsed (with difficulty) guerrilla forces of the Islamic Movement of Uzbekistan (IMU) as they attempted to move into Uzbekistan. In 2001–2, the IMU suffered severe losses in Afghanistan, and its known terrorist activities since 2001 have been outside Uzbekistan.

Defense Budget: In the early 2000s, Uzbekistan has sharply reduced its defense expenditures as civil wars have concluded in Afghanistan and Tajikistan and the government recognized an over-commitment to defense. Between 2001 and 2003, defense expenditures decreased from US\$74 million to US\$52 million, but in 2004 they increased to US\$54 million.

Major Military Units: In 2004 the ground forces were organized in four military districts, comprising two operational commands and one command in Tashkent. The major units are the following brigades: one tank, 10 motorized rifle, one light mountain, one airborne, one air assault, and four artillery. The air force has seven fixed-wing and helicopter regiments.

Major Military Equipment: The army has 340 main battle tanks, 13 armored reconnaissance vehicles, 405 armored infantry fighting vehicles, 309 armored personnel carriers, 200 pieces of towed artillery, 83 pieces of self-propelled artillery, 96 mortars, 108 multiple rocket launchers, and 36 antitank guns. The air force has 135 combat aircraft, 29 attack helicopters, and 23 assault and transport helicopters.

Military Service: Males are eligible for conscription at age 18. The term of active duty for conscripted personnel is 12 months. The government has discussed eliminating conscription and forming an all professional army, but no deadlines have been announced.

Paramilitary Forces: Uzbekistan's security troops, under the administration of the Ministry of Internal Affairs and including internal security and border forces, number between 17,000 and 19,000 troops. The National Guard, under the administration of the Ministry of Defense, has about 1,000 troops.

Foreign Military Forces: In 2005 the United States withdrew all of the 1,750 troops that had been stationed at Karshi-Khanabad air base, southwest of Samarqand, in support of Operation Enduring Freedom in Afghanistan. No Russian or other foreign forces were present in 2005.

Police: The National Security Service (NSS), under the direct command of the president through the Ministry of Internal Affairs, has the responsibility for suppression of dissent and Islamic activity and surveillance of all possible opposition figures and groups, as well as prevention of corruption, organized crime, and narcotics trafficking. Because it receives no effective oversight, the NSS is considered one of the most powerful security police forces in the former Soviet Union. In 2004 NSS forces numbered between 17,000 and 19,000. Conventional police operations are the responsibility of the Ministry of Internal Affairs. Each governmental jurisdiction has a police force; the forces of larger jurisdictions are subdivided by function. The police forces reportedly are corrupt. According to human rights organizations, both NSS and regular police use arbitrary arrest, intimidation, and violent tactics. At community level, civilian police organizations of the *mahallas* aid the local police in crime prevention and deterrence of anti-government activity.

Internal Threat: In the early 2000s, Uzbekistan's relatively low rate of violent crime has increased. The rate of common street crime also has increased during that period. Beginning in the late 1990s, Uzbekistan's location north of Afghanistan has meant increased narcotics trafficking, despite efforts to improve border controls. Several routes move drugs from Afghanistan through Uzbekistan to markets in Russia and Europe. The availability of drugs has stimulated a significant increase in domestic sales and drug addiction, together with associated forms of crime. Corrupt law enforcement officials have been involved in the trafficking process. In the early 2000s, large-scale smuggling operations in oil (out of Uzbekistan) and cigarettes (into Uzbekistan) also have flourished, and a black market in cotton exists.

Terrorism: In the early 2000s, widespread poverty and political repression created positive conditions for terrorist recruitment. Since the late 1990s, Uzbekistan's secular government has been the main target of extremist Islamic groups, particularly the Islamic Movement of Uzbekistan (IMU), which have the goal of establishing an Islamic state in Central Asia. Although the IMU suffered severe losses in the Afghanistan conflict of 2001–2, a number of small-scale terrorist attacks have occurred in urban centers since that time. The attacks escalated after U.S. troops were stationed in Uzbekistan in 2002. A group calling itself the Islamic Jihad Group in Uzbekistan claimed responsibility for bombs detonated in Tashkent in July 2004. Hizb ut-Tahrir, a nominally nonviolent Islamic extremist group, operates a large number of secret cells in Uzbekistan and neighboring countries and has been rumored to support selected terrorist operations. The size of that organization also is unknown, although its membership likely numbers in the thousands. Because Hizb ut-Tahrir has chapters in many countries, its radicalization is a major international security concern.

Human Rights: In 2004 the government responded to ongoing international allegations of human rights abuses by making modest improvements, including nominally intensified government oversight of prisons and law enforcement procedures. Members of the Tajik minority have suffered discrimination, in some cases being forced to change official identity from Tajik to Uzbek. Media censorship is not explicit, but in fact citizens' access to conflicting views is limited severely by state control of information sources and self-censorship based on fear of official retaliation. Unauthorized public meetings and demonstrations are forbidden, and police disrupt peaceful protests. The activity of civic groups is circumscribed by rigid registration requirements. The government controls all activities of the mainstream Muslim organizations, prosecuting unauthorized Islamic groups on charges of "extremism." Proselytizing and the teaching of religion in schools are illegal, as is all unregistered religious activity. Police and security troops have the legal right to arrest individuals without a warrant. Arbitrary arrest, torture, and extended pretrial detention are common. Although the constitution guarantees many aspects of a fair trial, in fact defendants face arbitrary court procedures, and the rate of conviction is extremely high. The quality and quantity of defense lawyers are low. Prison conditions are poor. Discrimination and violence against women are common, and trafficking in women from Uzbekistan has increased in the early 2000s.